



**Testimony to Michigan House of Representatives  
Health Policy Committee  
The Honorable Gail Haines, Chairperson  
Regarding House Bills 4862 and 4863  
Venture Behavioral Health  
January 26, 2012**

**Good morning Chairperson Haines and Members of the House Health Policy Committee, thank you for this opportunity to address you about House Bills 4862 and 4863.**

My name is Bradley Casemore, Chief Operating Officer of Venture Behavioral Health (VBH), the Prepaid Inpatient Health Plan (PIHP). Venture is responsible for managing behavioral health benefits for Medicaid and Adult Benefit Waiver (ABW) beneficiaries in the counties of Barry, Berrien, Branch, Calhoun and Van Buren for persons with Severe and Persistent Mental Illness, Developmental Disabilities, Severe Emotional Disturbance and Substance Use Disorders. Our service area is 3,000 square miles with roughly 100,000 Medicaid and Adult Benefits Waiver beneficiaries.

Venture supports House Bills 4862 and 4863 as we believe that they will positively impact clients and taxpayers in the following ways.

- Client's experience with care will improve leading to better treatment outcomes through more streamlined access to services.
- Overall and per person healthcare costs and administrative expenses will be reduced.
- The care delivery system will become more effective and efficient by enhanced clinical approaches with fewer administrative costs and overhead for providers.
- Unification of benefits management for Medicaid and Block Grant Substance Use Disorder funding will result in greater effectiveness and efficiency.

Venture Behavioral Health and Prepaid Inpatient Health Plans have a proven record of efficiently administering programs as evidenced in the External Quality Review Organization Reports and the Michigan Department of Community Health (MDCH) Fingertip Reports.

Venture Behavioral Health is prepared to assume and fulfill the roles described in House Bills 4862 and 4863. There are many other Prepaid Inpatient Health Plans that have excellent track records as Coordinating Agencies. These Bills support Prepaid Inpatient Health Plans and Community Mental Health Authorities in achieving improvements in quality of lives and tax savings. HB 4862 and 4863 will reduce expensive contracting and fiscal reconciliations. Health Information Technology and Health Information Exchange will be made less expensive. Administrative costs per case will be reduced. More clients will be served with fewer transfers between organizations. Legitimate claims and encounters will increase, assuring future federal funding proportions. Administrative spending will be maximized appropriately.

VBH assumed direct management of Medicaid Substance Use Disorder (SUD) benefits October 1, 2008, and in 2009 we installed an information system with a provider portal.

Highlights of our accomplishments include, but are not limited to:

## Testimony to Michigan House of Representatives- Health Policy Committee January 26, 2012

- Four VBH Affiliate Community Mental Health Authorities IDDT teams have passed Michigan Department of Community Health certification fidelity reviews.
- VBH Affiliate Pines Behavioral Health (Branch County) started a fully licensed substance use disorder program in 2006
- VBH Affiliate Barry County Community Mental Health assimilated the local substance use disorder treatment program Barry County Substance Abuse Services in 2009 resulting in greater access for members.
- \$250,000 has been invested since 2007 in Substance Use Disorder and co-occurring provider programs and clinical training using evidence-based and promising practices.
- System-wide installation of the Dr. Ken Minkoff Models of Comprehensive Continuous Integrated System of Care (CCISC) and Integrated Dual Disorder Treatment (IDDT) to ensure integration of services and treatment.
- Assured completeness, accuracy, and timeliness of substance use disorder and co-occurring disorder claims and encounters.
- Applied Medicaid Fraud and Abuse Compliance Monitoring to Substance Use Disorder and co-occurring disorder programs and services.
- Assured Substance Use Disorder provider and member participation in our system. Including, but not limited to, having Substance Use Disorder providers and members sit on various committees.

Cost-effective Substance Use and Co-Occurring services are critical. I am pleased to provide a supportive quote from a highly regarded multi-county provider here.

*"Speaking on behalf of an agency that has worked under both situations, where funding/oversight sources are bifurcated and when they are managed by one lead agency, I believe that the efficiencies that will be created by aligning the Coordinating Agencies and Prepaid Inpatient Health Plans will benefit the overall system by eliminating unnecessary duplication of billing, utilization review, and quality improvement activities. Psychological Consultants of Michigan stands in support of legislation that will reduce staff demand for indirect time and increase their time for the provision of clinical services."*

*Joseph P. Kuchenbuch MA, LLP, CAADC, CCS Program Director Psychological Consultants of Michigan, P.C.*

Thank you again for this opportunity. I am happy to take questions from the Committee and I am available for further discussion or work group participation.

In addition to copies of my testimony we have prepared supplemental documentation for our position.

---

Bradley Casemore, Chief Operating Officer  
Venture Behavioral Health  
100 Country Pine Lane Battle Creek, Michigan 49015  
P (269) 979-9132 X 301  
F (269) 979-9728

**Testimony to Michigan House of Representatives- Health Policy Committee**  
**The Honorable Gail Haines, Chairperson**  
**Regarding House Bills 4862 and 4863**  
**Venture Behavioral Health Supplemental Documentation**  
**January 26, 2012**

Venture's primary focus is on the accessibility, acceptability, impact, outcomes, quality, and value of services for our members.

**TABLE 1 - Venture Members with Substance Use Disorders (SUD) Served:**

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Medicaid	1134	1024	1227	1318	1244
Adult Benefit Waiver	N/A	N/A	N/A	55	272
<b>Total</b>	<b>1134</b>	<b>1024</b>	<b>1341</b>	<b>1373</b>	<b>1544</b>

\* Source Data is from the Venture Data Warehouse, for fiscal year 2011 the total number of cases includes 28 cases that were paid through other funding sources.

Venture increased the percentage of unduplicated members seeking Substance Use Disorder services each year we directly managed the Medicaid and Adult Benefits Waiver Substance Use Disorder funds.

**TABLE 2- Substance Use Disorder Access Rates:**

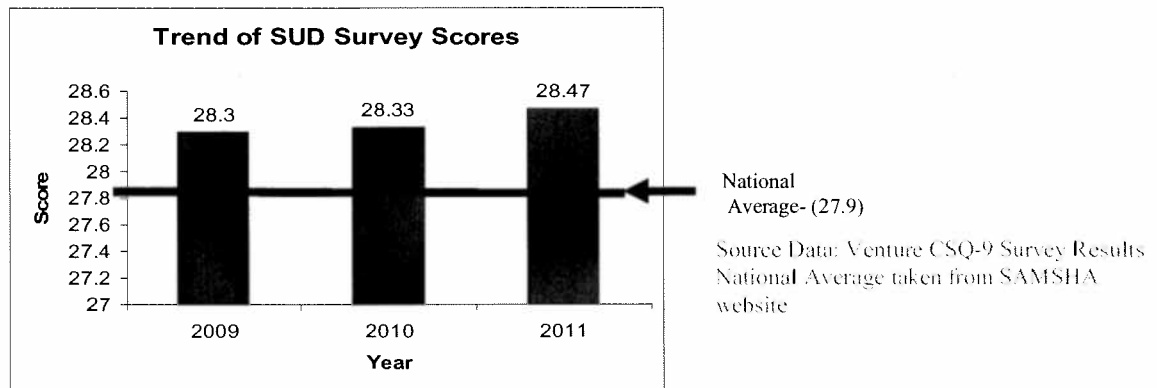
	Medicaid Only	ABW Only
FY 2008	4.9%	
FY 2009	7.88%	
FY 2010	8.4%	7.8%
FY 2011	9.03%	22.6%

\* Penetration rate defined as the percentage of SUD cases /total cases provided by that funding source. Source Data is from Venture Data Warehouse.

Venture expanded the number of Medicaid members treated for Substance Use Disorders. In Fiscal Year 2011 VBH focused on expanding Substance Use Services. A major Performance Improvement Project (PIP) was aimed at increasing Medicaid penetration rates through improved awareness of Substance Use Disorder services in the community.

**Testimony to Michigan House of Representatives- Health Policy Committee**  
**Venture Behavioral Health Supplemental Documentation**  
**January 26, 2012**

**GRAPH 1- Satisfaction Survey Scores for members with Substance Use Disorder**



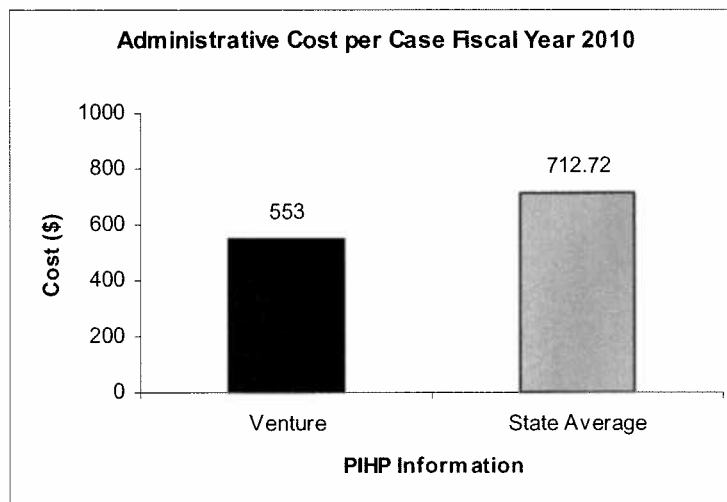
**TABLE 3- Venture Medicaid Members with Substance Use Disorder Expenses**

Fiscal year	Medicaid Substance Use Disorder	
	Total Cost	Percentage Spent on Administration
2010	\$1,561,698	6.0%
2011	\$1,674,892	5.7%

\* Source Data provided by Venture Fiscal Department – data extracted from Venture Warehouse

The higher administrative costs for Medicaid in fiscal years 2008 and 2009 and for Adult Benefit Waiver fiscal year 2011 were largely a result of added expenses associated with taking over new responsibilities and investments in technology to support success.

**GRAPH 2: Average Administrative Cost per Case**



\*Source data Fiscal Year 2010 Michigan Department of Community Health Fingertip Report. Administrative cost per case is based on all PIHP Medicaid populations (members with Mental Illness, members with Developmental Disabilities and members with Substance Use Disorders)